C R E D I T R E P O R T Bulgaria – Manual for Users

REFERENCE: Your reference number

COMPANY DETAILS

Local name: *Company name*, direct transcription from Bulgarian language+ *legal form*
International name: *Company name,* translated name in English + *legal form*

Registered address: Within trade register registered *address, phone, fax, e-mail, website*

Head office / Branch office / Production unit:
Other available addresses

ESTABLISHMENT & REGISTRATION:
Established in *year*
Registered at *district court* (from the existing 28 district courts)
Court number *year of court registration*
Bulstat/VAT number: *XXXXXXXXX* (9-digit unique ID number)

HISTORY:
Information about the development of the company in the past, if available.

LEGAL FORM:
Joint Stock Company (AD)
Limited Liability Company (OOD)
Sole Proprietor Limited Liability Company (EOOD)
Sole Trader (ET)
General Partnership (SD)
Limited Partnership (KD)
Limited Partnership with shares (KDA)
Civil Corporation (DZZD)
Association
Sole Proprietor Joint Stock Company (EAD)
Cooperative
Representative Office of foreign company (TP)
Other legal form

REGISTERED CAPITAL:
BGN XXXXX,-

Sole Traders/General Partnerships do not register capital

BANKERS:
Name of bank, website, IBAN
if available

SHAREHOLDERS/MANAGEMENT

SHAREHOLDERS:
Name, Second name, Surname – Share (%)
Birth date + personal ID

Additionally: history/previous shareholders, if available

MANAGEMENT:
Name, Second name, Surname (Position)
Birth date + personal ID

Additionally: history/previous managers, if available

RELATED COMPANIES:
Name of companies which are related to the requested company, if existing and available.

BUSINESS ACTIVITY

BUSINESS OPERATION:
NACE code, according the branch classification system NACE Ref. 1.1
(Complete Code you may download here:
http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST_CLS_DLD&StrNom=NACE_1_1
please copy the complete link into your browser)

Activity:
Detailed description of the company activity, if available.

NUMBER OF EMPLOYEES:
Official data from social insurance sources.

EXPORT:
Countries
Amounts
% from turnover

IMPORT:
Countries
Amounts
% from turnover

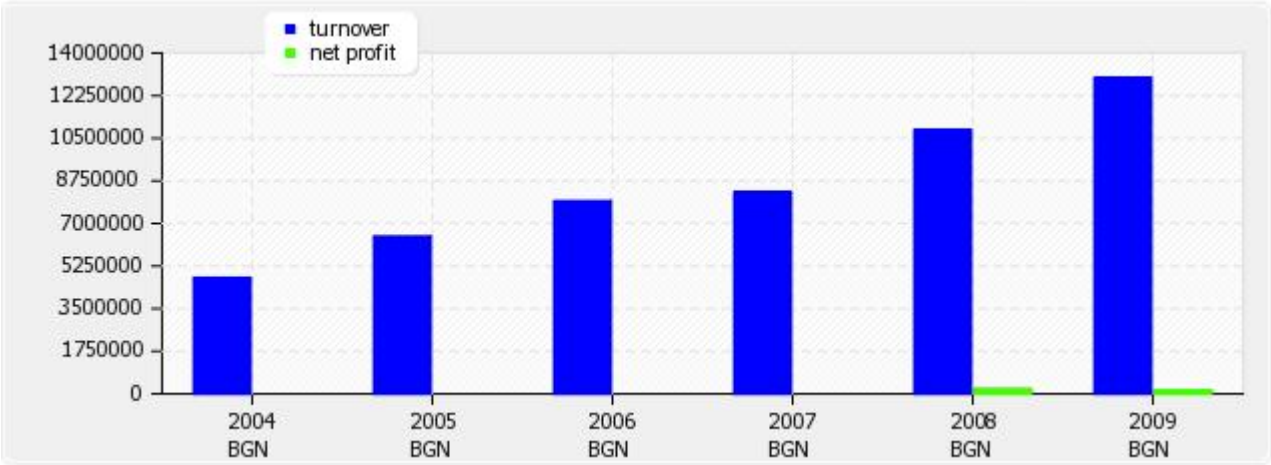
REAL ESTATE:
Comments about *real estate, description, type, amounts*

Comments:
Further information about the requested company which are available from any possible sources (press articles, TV news, internet, official sources etc.)

FINANCIAL DATA

TURNOVER:
2004: XXXXXXX BGN ,-
2005: XXXXXXX BGN ,-
2006: XXXXXXX BGN ,-
2007: XXXXXXX BGN ,-
2008: XXXXXXX BGN ,-
2009: XXXXXXX BGN ,-

Usually at least 5 years turnover, if available



MODES OF PAYMENT:
"Modes of payment" is a general payment opinion, given in text – it is a result of all available “soft facts” like general reputation (both of company and owners), development and current situation in the branch and the whole economy, debt-collection experience, legal charges, press publications, unofficial references from partners and suppliers, related company’s payment behaviour (especially for big companies, that have a lot of related entities and groups) and payment analyses based on financials of the company, which statistically presumes good or bad payment behaviour (like company’s liquidity and indebtedness)
This comment is subjective and is made by an analyst.

BANK DISTRAINTS:
This information is from official source - Commercial Register – it gives information when some of shareholders have overdue bank loans - then the bank distrains their share (they cannot sell it, cannot receive dividends from shares etc.) until debts are paid. It is valuable info, because it shows that the owners of the company itself have financial problems, so it is an alarming signal.

DEBT COLLECTION:
Debt collection information is usually available as amount of debt, invoice date and status (positively or negatively closed date or still open). Source of Debt Collection information is from agencies which exchange negative collection information (without names of creditors and other commercial information)

UNPAID TAXES/ CONTRIBUTIONS TO GOVERNMENT:
Information from official source, published periodically by tax authorities. Available is amount and if the company has enough assets to cover the debt.

INVOLVEMENT IN LEGAL DISPUTES:
Information from official source, published in State Gazette. Usually it concerns legal claims for insolvency

OTHER PAYMENT INFORMATION:
Any additional adverse payment information, available from suppliers references, newspaper articles or other unofficial sources.

BRANCH INDICATOR:
Under this point no formal branch statistics can be published. This opinion is based on the experience of our analysts, who analyze hundreds of companies monthly and receive negative payment information from debt-collection experience. This rating is subjective and is not calculative! We can proudly say that our opinions and ratings have high added value in expertise, as we are experts with over 10 years in credit risk analyses in Bulgarian market.

GENERAL PAYMENT ASSESSMENT:
Rating code (from table below: measured in a grade starting from A++ (the best possible) down to F (worst possible) and also NOR when information about payments is not sufficient for evaluation) based on expert analyses of all available sources.
GENERAL PAYMENT ASSESSMENT is a general payment index. It is formed by a scoring model (based on several financial ratios, taken from the company's financial accounts) plus the following sub-positions:

- MODES OF PAYMENT
- DEBT COLLECTION
- BANK DISTRAINTS
- UNPAID TAXES/ CONTRIBUTIONS TO GOVERNMENT
- INVOLVEMENT IN LEGAL DISPUTES
- OTHER PAYMENT INFORMATION
- BRANCH INDICATOR

All these variable inputs and the payment scoring model give a final result, which is the result in GENERAL PAYMENT ASSESSMENT.

FINANCIAL OPINION:
Rating code (from table below: measured in a grade starting from A++ (the best possible) down to F (worst possible) and also NOR when information about payments is not sufficient for evaluation) based on a scoring model verified by an experienced risk analyst. Rating is based on analyses of over 30 variables, most important of which are financial score, financial figures development (turnover, equity, debt, margins etc.), payment experience, sector development, history, legal form, development of number of employees, changes in ownership/management, size of operation, soft information etc.

CREDIT LIMIT:
EUR xxxxx,- (credit opinion, based on 30 days credit payment terms, compliant with credit insurance underwriting opinion)

Comment about sources:
At this place we inform about results of company interviews in case we could gain relevant information.

Complete rating code for the indicators "General Payment Assessment" and "Financial Opinion"

Rating	Description	Risk Class
A++	Lowest risk. Excellent business. High credit term.	
A+	Lower risk. Old established, stable company	LOW RISK
A	Low risk. Secured business on uptrend	
B++	Risk below normal. Reliable business. Usual credit term.	
B+	Normal risk. Business on uptrend	MEDIUM RISK
B	Normal risk. Average creditworthiness	
C	Risk above normal. Caution in dealings. Short term only	
C-	High risk. Full security only	HIGH RISK
D	Higher risk. No credit term to be granted	
F	Highest risk. Company on the verge of bankruptcy	
NOR	No rating. Information is insufficient	NO RATING

Exchange since for 1998 BGN (denominated lev) = 0.51 EUR

Ratios (financial key performance indicators)

ratio	formula	Year 1	Year 2
Debt ratio	Total debt/Total assets		
Quick ratio	(cash + current receivables)/current liabilities		
Current ratio	Current assets/current liabilities		
Days purchase in payables	Current Liabilities / Turnover * 360 days		
Operating margin in%	operating profit/sales*100		
Cash ratio (acid ratio)	cash/current liabilities		
Return on sales ROS in %	Net profit /sales*100		
Return on assets ROA in %	Net profit/Assets*100		
Return on equity ROE in %	Net profit/Equity*100		
Days supply in inventory	inventory/turnover*360		
Days sales in receivables.	Receivables at end of period /sales*360		

Balance sheet (short version)
There exist also a long version of balance sheet but not all companies are obligated to publish it.

BALANCE SHEET in BGN'000	Year 1	Year 2
FIXED ASSETS		
Tangible fixed assets		
Intangible assets		
Long-term investments		
Goodwill		
Prepaid expenses, deferred income, similar accounts		
CURRENT ASSETS		
Inventory		
Short-term receivables		
Short-term investments		
Liquid assets		
Prepaid expenses		
TOTAL ASSETS		
Equity capital		
Subscribed and paid capital		
Reserves		
Profit or loss carried forward		
Profit of the year		
Loss of the year		
Long-term liabilities		
Short-term liabilities		

Profit & Loss Account (short version)
There exist also a long version of P&L Account but not all companies are obligated to publish it.

P&L ACCOUNT in BGN'000	Year 1	Year 2
Total operating expenses		
Financial expenditures		
Extraordinary expenses		
Profit before taxation		
Taxes		
Profit after taxation		
Total operating income		
Financial income		
Extraordinary income		
Loss after taxation		

Remark to Balance Sheet and Profit & Loss Account:
It is the official accounting form of Bulgarian financial statement that is given in our report.
Translations have been consulted with international audit firm.

Disclaimer:
Legal notes about usage of the information given in the report.

*****END OF REPORT*****